Students Channel Student Credit Management Visioning Session August 22, 2001

Visioning Model

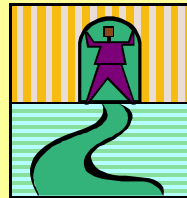## Current State

Challenges & Opportunities

2001

Step 1

Pathway to Action

How To Get There
From Here

Step 3

Target State

Where SCM Wants To Be

Step 2

Current Environment Assessment

Business Integration Approach	Current State Assessments	Challenges and Opportunities Identified Through Current State Assessment
Technology	➢ DMCS Replacement Business Case ➢ FFEL Retirement Analysis IPT ➢ eServicing Assessment	❑ Defaulted Student Loan Portfolio is a huge non-performing asset ❑ Increasing collections rate while reducing collections cost are two competing objectives ❑ Treasury is the ultimate entity to benefit from increased collections ❑ SFA utilizes its limited operational budget to modernize Collections ❑ Collections modernization is costly, particularly in new technology implementation ❑ (place holder for problems identified by eServicing)
Process	➢ Black belt - Process Review Analysis ➢ Consistent Answers Analysis Initiative	❑ Volume of paper-based reporting ❑ Volume of redundant "Review" and "Hearings" ❑ Reduce defaulted loan consolidation while encouraging loan rehabilitation ❑ Increase returned check fee ❑ (placeholder for problems identified by Consistent Answers)
Organization	➢ Identification of organizational impacts based on process and technical analysis	❑ Loss of Knowledge Capital based due to volume of eligible retirees ❑ Impact of Consistent Answers Consolidation ❑ Change in Management Function and Responsibilities of Call Centers ❑ Role and Responsibilities of Private Collection Agency Oversight ❑ Impact of technology changes

Target State Vision

- Overall Students Vision — Jennifer

- SCM Vision — Sybil

- Initial Collections Vision — Gary

- Modernization Partner Alignment — Martin

- Alignment with Modernization Initiatives — ALL

Pathway to Action

- Illustrative Framework -

Business Integration Approach	Short Term Plan	Medium Term Plan	Long Term Plan
Technology	• Select Commercial Off The Shelf (COTS) software for DMCS replacement	• Implement selected COTS product to replace DMCS • Implement EBPP and online correspondence • Implement Customer Relationship Management (CRM) technology	• Implement common debt collections and servicing technology
Process	• Reduce letters sent to borrows • Reduce redundant "Review" and "Hearings" • Reduce defaulted loan consolidation while encouraging loan rehabilitation • Increase returned check fee	• Centralize and automate data exchange • Reduce paper-based reporting • Increase PIC authority and responsibilities • Implement CRM processes	• Provide electronic repayment and billing capabilities • Provide consistent answers to borrowers
Organization	• Manage attrition • Manage knowledge capital • Develop employee incentive program	• Streamline oversight functions • Change in management function • Consolidate auditing function • Consolidate call center operations	• Outsource redundant functions • Consolidate Offices